

STATE OF CALIFORNIA

# **REQUEST FOR INTEREST**

## **A UNIQUE REDEVELOPMENT OPPORTUNITY**

**1377 Fell St, San Francisco, CA 94117  
San Francisco, California**



**January 6, 2023**

**The Department of General Services and  
The Department of Motor Vehicles**



### Invitation and Premise

DMV, through the Capital Outlay Budget Change Proposal process, has been authorized to pursue replacement of the San Francisco Fell Street location, working through the Department of General Services (DGS). As part of the DGS-led construction project, the DMV will be temporarily relocating to an alternative site, before returning to operate its new office.

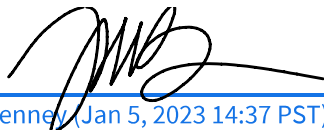
Before DGS issues its solicitation for design-builders to begin construction, DGS and the Department of Motor Vehicles (DMV) are seeking to understand potential interest from the development community for an alternative site use.

DGS has authority under Government Code (GC) 14671.2 to repurpose state property for affordable housing. While the DMV is temporarily vacating the site, there is an opportunity to develop housing at the site. Under this model, DGS would lease the property (ground) to a developer, who would finance, construct, and operate the improvements (especially the housing). The entire project would be the responsibility of whatever entity is selected, and the state would provide no subsidy or first cost (beyond whatever normal, competitive funding sources for affordable housing projects may be available at the time).

In addition, the new development **must** include a fully operational DMV Field Office, identical in function and requirement to the project DGS would construct (including parking). A summary of details on the DMV's project is included as an appendix to this RFI.

If you have an interest in this opportunity, we look forward to hearing from you.

Sincerely,



[jason kenney](#) (Jan 5, 2023 14:37 PST)

Jason Kenney, Deputy Director  
Real Estate Services Division  
Department of General Services

**BACKGROUND:**

Ideally situated in San Francisco, the DMV Fell Street Field Office is just east of the Panhandle and otherwise surrounded by residential and retail. The current facility is old and needing replacement, though it is still essential for the provision of services to San Franciscans.



The existing Field Office is two stories, though only a single-story building is required. The office serves both appointments and walk-ins for DMV retail services such as driver licensing and vehicle registration, performs vehicular drive tests, and has significant public parking needs (110 spaces, minimum, that must be provided without cost to the public). DMV offices currently use and are planned to continue using loudspeakers inside and outside of DMV locations to announce window availability, and to direct customers to specific locations as appropriate.

**DEVELOPMENT POTENTIAL:**

As is obvious from the aerial pictures of the site, the current facility is primarily occupied by parking stalls. There are several conceivable development possibilities, with the three most like scenarios being:

1. Constructing a first floor Field Office with housing above (leaving the parking footprint as is),
2. Constructing housing adjacent to a new Field Office and incorporating parking in a below or above-ground garage.
  - a. **Note:** some ground-level parking will still be required for End-of-Drive Test, Vehicle Verifications, and similar program requirements), or
3. Swapping this site for another (proximally located site) of equal value and size.

In that latter scenario, the site for the new DMV Field Office would need to provide at least the same level of benefit and adjacency for the DMV and its customers as the current Fell Street location. If an interested party would like to suggest a land swap, please note that the land must be presently owned by the developer and must have a clear title and free from encroachments and problematic encumbrances. In submitting a response with a land swap concept, please include the rationale that explains how the swap would provide a benefit for the DMV and its customers, and how the swap would better facilitate affordable housing development (as opposed to the developer simply constructing housing on the site they own).

Please note that the parking requirements are exclusive to the DMV's use. While it may be possible for residents to use spaces after hours, they would be precluded from using any of the parking spaces allocated to the DMV during business hours. Moreover, any parking solution that utilizes stackers or otherwise requires an attendant would not be acceptable.

#### **GENERAL DEVELOPMENT FRAMEWORK:**

State property, when being developed for a state purpose (including the development of affordable housing), is not subject to any local ordinance, fee, or discretionary approval. As such, zoning, density limitations, etc. do not apply.

DGS would serve as Lead Agency for CEQA purposes, would be the permitting entity, and would provide inspections. Offsite improvements will be under the authority of the applicable local agency. Unfortunately, SB 35 does not apply to state property, and the state cannot delegate any of its discretionary or ministerial approvals to local governments. Please also note that the Authority Having Jurisdiction for Fire and Life Safety elements is the California State Fire Marshall.

As noted above, any development deal will be subject to Government Code 14671.2.  
**Please read through that statute carefully before submitting.**

As noted above, there are three likely development scenarios. In each scenario, the dynamics of ownership of the improvements for the DMV would vary as follows:

1. If a developer proposes constructing a first floor Field Office with housing above (leaving the parking footprint as is), the developer will bear the costs of constructing the new DMV Field Office, parking, site security improvements, etc.
  - a. DMV would lease the relevant improvements from the developer, with the cost of said lease being deducted from the developer's lease payments under the ground lease.
2. In the event that constructing housing adjacent to a new Field Office (and incorporating parking in a below or above ground garage)<sup>1</sup> is preferred, the developer would bear the costs of constructing the new DMV Field Office, parking, site security improvements, etc. The Field Office improvements would transfer to the DMV, which would be responsible for operation and maintenance costs. To the extent that the parking is integrated into the housing in the form of a garage, any applicable operational costs would be the responsibility of the developer.
  - a. The ground lease under this scenario would be for a nominal amount to the developer.
  - b. **Critical note:** as the DMV would assume responsibility for operations and maintenance of the Field Office, DGS and DMV reserve the right to require specific materials and construction approaches for those improvements.
3. Swapping this site for another (proximally located site) of equal value and size.
  - a. **Critical note:** as DMV provides services to customers within specific geographic areas, any property proposed for a swap must be North of the 280 and John Daly Blvd.

#### **SUBMISSION REQUEST:**

**Critical Note:** *this RFI is not a solicitation. It is a request for information that the state will use to determine whether a potential for housing development and a new DMV Field Office exists. After receiving and evaluating responses, and potentially conducting interviews, a formal solicitation would need to be issued for the site before a developer could be selected and a project proceed.*

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<sup>1</sup> Again, note that this scenario will still require some number of ground-level stalls for End-of-Drive Test, Vehicle Verifications, and similar program requirements),

For the purposes of this RFI, DGS is only interested in submissions from entities with experience in either mixed-use, multi-family development or **both** commercial and multi-family residential development. Given the impending solicitation for the state's public works projects, only serious interest would be appreciated.

In submitting, DGS requests the following:

- A brief statement on the development team's qualifications and experience in either mixed use, multi-family affordable housing or **both** commercial and multi-family affordable housing.
- A brief development concept outlining how your team would accomplish the goals and purposes as outlined in this RFI.
  - If you are proposing any sort of land swap, include:
    - A certification that the land being proposed is presently owned by your company, has a clear title, and is free from encroachments and problematic encumbrances.
    - A rationale that explains how the swap would provide a benefit for the DMV and its customers.
    - An explanation as to how the swap would better facilitate affordable housing development (as opposed to the developer simply constructing housing on the site they own).

After the close of the RFI deadline below, the state may elect to invite you for further discussions to explore your development concept. Again, please be aware that this RFI is to allow the state to explore new ideas and in no way is committing to any particular plan or concept. An RFI is to seek input only and does not replace the normal solicitation process.

#### **SUBMISSION DETAILS:**

1. **Submission Deadline:** Responses are due by 5:00 PM on February 3, 2023.

2. **Submit Responses Electronically To:**

Jason Kenney, Deputy Director  
Jason.Kenney@dgs.ca.gov

3. **Questions:** If there are questions, please submit an email to the address above.

**Attachment A**

***DMV Fell Street Field Office Replacement  
Design Criteria Synopsis***

1. **Site size requirement:** 2.5 acres
2. **Field Office:** demolition of the existing structure (including the abatement of hazardous materials – asbestos and lead), and the construction of an approximately 20,000 net usable square feet, single story.
  - a. The new construction must be Type IIB (minimum), with easily maintained systems and materials. Exterior materials must have a durability of at least 30-years (other than anti-graffiti and sealers), and those materials used under 10' must be high impact resistant, scratch resistant, and low absorption.
  - b. The new Field Office must be zero-net carbon (fully electric), achieve USGBC certified LEED Silver at a minimum, achieve Zero Net Energy with a EUI score between 35-40.
3. **Additional Special Requirements:**
  - a. Field office functions must be on the ground level.
  - b. Must have an exterior covered queuing area at main entrance for at least 15 people.
  - c. Must have two vehicle drive test aisles adjacent to the building with one bypass lane.
  - d. Vehicle drive test aisles must have a canopy with a minimum 14'-9" clearance.
  - e. There must be End of Drive test parking spaces adjacent to drive test aisles.
  - f. Parking is preferred to not to be in a parking structure. However, if designed safely and with room for inexperienced drivers, a parking structure (above or belowground) may be permitted.
  - g. Minimum of 110 on-site vehicle parking spaces, including electric vehicle charging. Parking stalls shall be 9'x18' minimum.
  - h. There must be vehicle invasion barriers separating driveways from building, and there shall not be parking adjacent to the Field Office.
  - i. Drive aisles must be two-way.

- j. There shall be a minimum of three separate driveways access off street.
  - k. The design must accommodate 45' delivery truck access to the storage building.
  - l. There must be a separate, covered enclosed trash enclosure.
  - m. The site shall be secured by a 7' ornamental wrought iron fence, and there must be vehicle and pedestrian gates at all access points.
  - n. Any landscaping shall be drought tolerant.
  - o. There shall be an outdoor and enclosed patio for staff.
  - p. As DMV offices will use loudspeakers inside and outside of DMV locations, any housing developed needs to account for the acoustical impacts of these speakers.
4. **Special Note:** during a Phase II investigation, the state identified asbestos and lead containing soils and hydrocarbon contamination. It should be assumed that there are 6,500 cubic yards of contaminated soil to be remediated.